

NEWS FROM

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There is money for college out there if you look

Montgomery, Ala. (October 10, 2004) — Although Alabama's budget crisis has forced the state to cut back its funding for college aid programs, students and parents can still get help paying for college, according to Dr. Bill Wall of the Alabama Student Loan Program.

The first thing you should look for are grants and scholarships, which generally don't have to be repaid. The best place to start that search is with your high school counselor. Then keep a close eye on the local newspaper for stories about scholarships available in the community.

You should also check with the financial aid office at the college you plan to attend to find out what other scholarships you might qualify for.

"I would encourage readers to check out www.alabamamentor.org and use its scholarship search function," Wall said. "You can also find other free scholarship search engines online, so there's no need to pay for that kind of help. The money you give to a company that helps you find scholarships is usually better spent paying for college expenses."

One unfortunate fact of college life is that sources of free aid — grants and scholarships — haven't kept pace with college costs. That means that more students and parents end up taking out loans to pay college expenses. Federal statistics show that the percentage of full-time, four-year undergraduates receiving federal student loans rose from 35.7 percent in 1989-1990 to 47 percent in 1999-2000. That doesn't include students who took out commercial loans or used credit cards to help pay for college.

Most financial aid packages from colleges will include student loans, Wall said.

"If you're going to take out student loans," he added, "you owe it to yourself to be a smart consumer and compare what different lenders provide."

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That means comparing the fees they charge on the front end when you get the loan and the repayment benefits they provide on the back end when you start repaying the loan. The lower the fees charged, the more money that goes toward college costs. And you can save hundreds, sometimes thousands, of dollars by picking the lender with the best repayment incentives.

To find out if you qualify for federal grants and loans, you have to fill out the Free Application for Federal Student Aid, generally called the FAFSA.

“The best way to fill out the FAFSA is to do it online at www.fafsa.ed.gov,” said Wall, who recently joined the Alabama Student Loan Program after retiring from the Alabama Commission on Higher Education, where he oversaw state financial aid programs. “That way you’ll make fewer mistakes because it’ll prompt you if something doesn’t sound right. You’ll also get your results a week or two faster than you will if you fill out a paper FAFSA.”

For more information about student financial aid, write the Alabama Student Loan Program, 100 North Union Street, Suite 308, Montgomery, AL 36104-3762; or phone 334-265-9720 or toll-free (800) 721-9720.